# GOVERNMENT OF INDIA
# RURAL DEVELOPMENT
# LOK SABHA

UNSTARRED QUESTION NO:3611
ANSWERED ON:16.04.2002
DEVELOPMENT OF BACKWARD DISTRICTS
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**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

(a) whether the Government have implemented any scheme for the development of backward districts;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the steps taken by the Government in this regard?

## Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI SUBHASH MAHARIA)

(a) to (d) As per information received from Planning Commission, Planning and development of an area and allocation of funds for the purpose are primarily the responsibility of the concerned State Government. Hence, Planning Commission has not identified any area as backward per se. However, the Central Government supplements the efforts of the State Governments in the development of backward areas through weightage in the formula used for the distribution of Central Assistance.
Further, various programme have been formulated to deal with the special problems of identified areas such as the Tribal Sub-Plan, the Border Area Development Programme, Hill Areas Development Programme, Desert Development Programme/Drought Prone Areas Programme etc. These programmes use the special characteristics of the particular development problem to identify the areas and fix the levels of allocation. Further, there are a number of programmes for poverty alleviation, employment generation, infrastructure development, watershed development, social security and land reforms to improve the quality of life in the rural areas and to assist people below the poverty line. These programmes use poverty/ poverty related indicators for the allocation of funds.

In order to encourage speedy industrialization and for dispersal of industries in industrially backward areas, Category A and Category B districts have been identified for the purpose of income tax concessions under 80-IA of the Income Tax Act. In addition there are various schemes for infrastructure development of the industrial sector such as the Growth Centres Scheme, Scheme for Integrated Infrastructure Development Centres, etc.

In addition, successive Finance Commissions have laid stress on backwardness in the formula for determining inter-state shares of Central Tax proceeds. In particular, the weight of the inverse of per capita state income criterion takes note of backwardness. The Eleventh Finance Commission assigned a weight of 62.5 percent for its award period, 2000-05 which is higher than the weight assigned by previous Commissions. In addition, the criteria of `Area` and `Index of Infrastructure` also help backward states. In general, larger area and a lower development of infrastructure are strongly associated with backwardness and recognizing this, the Eleventh Finance Commission assigned a weight of 7.5 per cent each, up from 5 per cent recommended by the Tenth Finance Commission. Assessing the requirement of revenue-gap grants is also an exercise which accords special consideration to backward states. State, which are relatively more backward are not able to raise as much of their own revenues as better off States. This gets built into the assessment of revenue-gap grants. Finance Commissions also take particular note of specific requirements of each State during their visits. Such requirements are met through recommendation of grants for special problems and upgradation and thus provide an opportunity to backward states to put forth their claims.